



Federal Communications Commission  
Washington, D.C. 20554

MAR 31 1998

RECEIVED

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

The Honorable Alfonse M. D'Amato  
United States Senate  
520 Hart Senate Office Building  
Washington, D.C. 20510

EX PARTE OR LATE FILED

Dear Senator D'Amato:

Thank you for your letter forwarding the concerns of your constituent, Mr. Gary Polisseni, of East Rochester. As the President and CEO of ROBTTEL, Inc., a long distance company, Mr. Polisseni expresses concern about the implementation of the Telecommunication Act of 1996 with regard to the presubscribed interexchange carrier charge and universal service charge.

The presubscribed interexchange carrier charge is part of a comprehensive regulatory program that allows local telephone companies to recover the cost of the facilities that link each telephone subscriber to the telephone network. In its May 1997 *Access Reform Order*, the Commission restructured the way local telephone companies recover such costs. Instead of paying a higher charge per minute, the long distance companies now pay to local telephone companies a flat-rated, per-line charge which is offset by a lower charge per minute. The presubscribed interexchange carrier charge is a monthly fee assessed by the local telephone company on the long distance carrier to whom the line is presubscribed. For single-line businesses, the presubscribed interexchange carrier charge is a maximum monthly fee of \$.53 in 1998. For each multi-line business line, the presubscribed interexchange carrier charge is a maximum monthly fee of \$2.75 in 1998. According to Mr. Polisseni, one customer could be charged during the same month by multiple long distance companies when the customer switches long distance companies without advising the former long distance carrier of the switch, or when the customer uses more than one long distance carrier during the same month, without switching. Mr. Polisseni proposes as a solution for this potential problem that local telephone companies be required to collect the presubscribed interexchange carrier charge.

In this regard, on February 26, 1998, the Commission released a public notice soliciting comments on an MCI Petition. One proposal in MCI's petition is that the Commission require local telephone companies to collect the presubscribed interexchange carrier charge until such time as they can provide to long distance companies in advance of billing specified information. I have included Mr. Polisseni's letter in the record of that proceeding. A copy of the public notice is enclosed.

With regard to Mr. Polisseni's reference to universal service charges to be paid by a long distance carrier, on May 7, 1997, the Commission adopted a first Report and Order to implement the Federal-State Joint Board's recommendations on universal service as required by the Telecommunications Act of 1996 (1996 Act). The Commission established universal service support mechanisms that fulfill Congress's goal, as stated in section 254 of the 1996

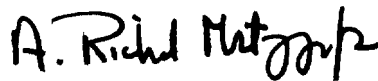
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Act, of ensuring that affordable, quality telecommunications services are available to all American consumers, including low income consumers and those located in high cost, rural, and insular areas. In addition, these mechanisms implement Congress's mandate to ensure the nation's classrooms and libraries receive access to the vast array of educational resources that are accessible through the telecommunications network. These support systems also will link health care providers located in rural areas to urban medical centers so that patients living in rural America will have access, through the telecommunications network, to the same advanced diagnostic and other medical services that are enjoyed in urban communities.

In the 1996 Act, Congress stated that all telecommunications carriers that provide interstate telecommunications services must contribute on an equitable and nondiscriminatory basis to universal service. The Commission implemented this statutory provision by requiring all such telecommunications carriers to contribute to the universal service support mechanisms. Neither Congress, nor the Commission, requires such carriers to pass this contribution onto their customers. To the contrary, carriers decide how and to what extent they recover their contributions. Carriers, however, may not mislead customers as to how they recover contributions and may only recover an equitable share from any particular customer.

Thank you again for your interest in these issues. Please be assured that the interest and proposal of your constituent are appreciated and will be given consideration prior to reaching any decisions on the presubscribed interexchange carrier charge billing matter. Should your constituent have any further questions, he may contact the Common Carrier Bureau's Competitive Pricing Division at (202) 418-1520.

Sincerely,

A handwritten signature in black ink that reads "A. Richard Metzger, Jr." with a stylized flourish at the end.

A. Richard Metzger, Jr.  
Chief  
Common Carrier Bureau



# PUBLIC NOTICE

FEDERAL COMMUNICATIONS COMMISSION

1919 M STREET, N.W.

WASHINGTON, D.C. 20554

DA 98-385

News media information 202/418-0500 Fax-On-Demand 202/418-2830 Internet: <http://www.fcc.gov> <ftp.fcc.gov>

Released: February 26, 1998

**MCI Telecommunications Corporation Petition the Commission for  
Prescription of Tariffs Implementing Access Charge Reform  
CC Docket No. 97-250**

**Pleading Cycle Established**

**COMMENTS: March 18, 1998**

**REPLY COMMENTS: March 30, 1998**

On February 24, 1998, MCI Telecommunications Corporation (MCI) filed a Petition for Prescription of Tariffs Implementing Access Charge Reform.

In its petition, MCI states that unless access rates are lowered to forward-looking economic cost and incumbent local exchange carriers (ILECs) are required to recover presubscribed interexchange carrier charges (PICCs) directly from end users, long distance carriers will continue to be competitively disadvantaged, long distance consumers will be harmed, and competition in local markets will be seriously jeopardized. MCI requests an immediate prescription of key levels, terms, and conditions in the pending tariff investigation.

MCI asserts the Commission should eliminate the distinctions between primary and non-primary lines, as the costs associated with implementing such distinctions clearly outweigh the benefits. MCI states that the Commission should also hold ILECs responsible for collection of PICCs until such time as they can provide all necessary information to interexchange carriers (IXCs) in advance of billing; prescribe a standardized, independently verifiable, definition of primary and non-primary lines; require the ILECs immediately to provide auditable line count information, by telephone number; move as quickly as possible to grant the Sprint petition or prescribe language that makes clear that IXCs can notify ILECs of de-PICCs; and standardize the date used by ILECs to decide which customers' PICCs are assigned to a particular IXC.

MCI states that, in addition, the Commission should require the ILECs to provide to each IXC the amount of universal service fund (USF) pass through each IXC is receiving in its access bills every month.

Interested parties may file comments on MCI's petition no later than **March 18, 1998**. Replies must be filed by **March 30, 1998**. When filing comments and/or replies, please reference the internal file number: **CCB/CPD 98-12**.

An original and four copies of all comments and replies must be filed in accordance with Section 1.51(c) of the Commission's Rules, 47 C.F.R. § 1.15(c). In addition, one copy of each pleading must be filed with International Transcription Services (ITS), the Commission's duplicating contractor, at its office at 1231 - 20th Street, N.W., Washington, D.C. 20036 and one copy with the Chief, Competitive Pricing Division, Room 518, 1919 M Street, N.W., Washington, D.C. 20554.

ALFONSE M. D'AMATO  
NEW YORK

304 FEDERAL BUILDING  
100 STATE STREET  
ROCHESTER, NY 14614  
(716) 263-6886

## United States Senate

WASHINGTON, DC 20510-3202

WASHINGTON, D.C. 20510

January 9, 1998

CCB  
cc-THY  
1087

Federal Communications Commission  
Congressional Liaison  
2025 M Street, NW, Room 6202  
Washington, D.C. 20554

Dear Director:

Because of the desire of this office to be responsive to all inquiries and communications, your consideration of the attached is requested.

Your findings and views, in duplicate form, will be appreciated.

Please reply to my Rochester office.

Sincerely,



Alfonse M. D'Amato  
United States Senator

AMD:rmb  
enc.



EX PARTE OR LATE FILED

349 WEST COMMERCIAL STREET, SUITE 2278  
EAST ROCHESTER, NEW YORK 14445

PHONE (716) 389-1280

FAX (716) 389-1280

Senator D'Amato  
Room 520 Hart Bldg.  
Washington, D.C. 20510  
Attn: Craig Syracuse

Dear Senator

I am writing you to express my concerns regarding the Telecommunications Act of 1996. In appreciation of what the government is trying to accomplish by providing school districts with affordable services, I must express my concern in the matter of which it is being applied

I own and operate a long distance company in the Northeast United States, that consists of many small business customers. I will be opening the market to local resale in the next month so my customers can have their long distance and local service billed on one bill. My concern is the the USF and PICC charges that apply to long distance companies

The FCC is requiring a 3% tax to be contributed to the FCC to help support the act along with a charge of \$2.75 per line access charge to be applied. The FCC has stated that the end user or telephone company subscriber is not liable for the charges, but rather, the long distance company of their choice is. For companies in the Telecommunications Industry to absorb this tax would ultimately destroy what profits we make, forcing us to pass the cost on to our customers. Here lies the problem. Many customers that take advantage of using multiple long distance carriers to provide them with the most cost efficient service could be billed multiple times for the surcharge they should only be billed once for. Let me explain

The FCC is demanding a tax on all long distance traffic to be paid to the FCC to support The Telecommunications Act of 1996. In addition, the FCC is requiring a tax to be paid by all Long distance companies of \$2.75 per line that is subscribed to that particular carrier. In order to defray that cost, the long distance carrier must pass it on to the customer. This is where it gets complicated. Since many customer's use multiple long distance carriers to provide them with cost effective service, it is not unusual to see the same telephone number to appear in a few long distance carriers data base's. In addition, it is not uncommon to see customers switch long distance carriers over night without informing the current provider. The end result is the customer can be charged for the tax more than once

Since the local telephone company is the only one who will know what carrier is chosen at any given time, and know what lines are in or out of service at any given time, I feel that if a tax is mandatory, that the local telephone company should bill and collect it. This will prevent any over billing to long distance carriers and our customers.

I would greatly appreciate the opportunity to discuss this further. Please feel free to call me at 716-389-1280.

Best Regards

Gary Polisseni  
President and CEO  
ROBTel, Inc. an RTI Telecom Company